

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. <u>08-</u>
v.	:	DATE FILED: <u>July 24, 2008</u>
DAVID LYNN,	:	VIOLATIONS:
a/k/a "David Waisman"	:	18 U.S.C. § 371 (conspiracy - 1 count)
YEVGENY ZEMLYANSKY	:	18 U.S.C. § 1546(a) (visa/asylum fraud - 4
ILYA ZHERELYEV	:	counts)
ANATOLY ZAGRANICHNY	:	18 U.S.C. § 1956(a)(1)(B) (money
AKBAR KADIROV	:	laundering - 1 count)
NELLY KATSMAN	:	18 U.S.C. § 1956(a)(2)(B) (money
	:	laundering - 2 counts)
	:	18 U.S.C. § 1956(h) (conspiracy to commit
	:	money laundering - 1 count)
	:	18 U.S.C. § 1001 (false statement to
	:	federal government - 4 counts)
	:	18 U.S.C. § 3146(a)(1) (failure to appear
	:	for a judicial proceeding - 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)
		Notice of forfeiture

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

THE ASYLUM PROCESS

1. Beginning on March 1, 2003, the United States Department of Homeland Security ("DHS") was responsible for administering immigration matters. At DHS, Citizenship and Immigration Services ("CIS") handled and adjudicated claims for asylum. Prior to March 1, 2003, the Immigration and Naturalization Service ("INS") carried out these responsibilities.

2. To obtain asylum in the United States, an alien must show that he or she

has suffered persecution or is likely to suffer persecution upon return to the alien's homeland. This persecution must be on account of race, religion, nationality, political opinion, or membership in a particular social group. After one year, an individual who is granted asylum may apply for lawful permanent resident status, signified by receipt of a "green card."

3. The Application for Asylum and Withholding of Removal, Form I-589, is the application for asylum and is submitted to and adjudicated by CIS. The I-589 requires a "detailed and specific account of the basis of [the] claim to asylum." The applicant and any person who assists the applicant in completing the application signs the application under penalty of perjury.

4. The I-589 is filed with the CIS Service Center having jurisdiction over the alien's place of residence. The regional asylum office with jurisdiction to adjudicate the asylum claims of aliens living in Eastern Pennsylvania, Manhattan, New York, and the Bronx, New York, is in Lyndhurst, New Jersey. The regional office with jurisdiction to adjudicate claims of aliens living in Brooklyn and Queens, New York, is in Rosedale, New York.

5. After the submission of the I-589, CIS notifies the applicant to appear for an interview with an asylum officer by mailing notice to the address listed on the I-589. An asylum officer interviews the alien regarding the application. At the time of the interview, the alien must provide truthful information regarding identity, date and place of birth, nationality, and the basis of the claim. The asylum officer has the authority to administer oaths, verify the identity of the applicant, and question the alien regarding the information provided by the alien. If the alien is not sufficiently versed in English, the alien must provide a competent interpreter fluent in English and the alien's preferred language.

LYNN'S ORGANIZATION

6. Defendant DAVID LYNN, who at times falsely represented that he was an attorney specializing in immigration matters, directed the operation of a business that promised to obtain asylum in the United States through false testimony and other fraudulent means. Defendant LYNN, with the assistance of defendants YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, ANATOLY ZAGRANICHNY, AKBAR KADIROV, and NELLY KATSMAN, prepared at least 380 false and fraudulent Form I-589 applications and presented those false applications to CIS. Defendant LYNN obtained at least \$3 million from the operation of his fraudulent asylum business.

7. On certain financial documents, defendant DAVID LYNN called his fraudulent asylum business "Lynn International," which he identified as a translation service, to conceal the true nature of his business.

8. Defendant YEVGENY ZEMLYANSKY, defendant DAVID LYNN's father-in-law, worked as a full-time assistant to defendant LYNN, driving immigrant clients to various proceedings in connection with I-589 applications, contacting clients about upcoming proceedings, collecting money from clients, obtaining false addresses used on I-589 applications, instructing clients to conceal the fact that defendant LYNN and others had coached them to give false testimony at hearings, picking up the letters CIS sent to various false addresses and false applications and supporting statements from defendant NELLY KATSMAN, and assisting in laundering the proceeds of the asylum fraud business.

9. Defendant ANATOLY ZAGRANICHNY, who is fluent in Eastern European languages, coached immigrant clients regarding, among other things, the Baptist and

the Jehovah's Witness religions to assist them in presenting false testimony at their asylum interviews and acted as an interpreter during the presentation of their false testimony at the asylum interviews.

10. Defendant ILYA ZHERELYEV was initially employed as defendant DAVID LYNN's bodyguard, and accompanied defendant LYNN to out-of-town meetings with immigrant clients and later acted as a full-time assistant, whose duties included preparing certain false I-589 applications, collecting money from clients, and assisting in laundering the proceeds of defendant LYNN's asylum fraud business.

11. Defendant AKBAR KADIROV, who became a lawful permanent resident of the United States through fraudulent means with the assistance of defendant DAVID LYNN, began working for defendant LYNN in approximately 1999. Defendant KADIROV acted as a driver for the immigrant clients, collected the fees from these clients, assured clients that defendant LYNN would be successful in obtaining asylum for them based on his own fraudulent asylum application, and assisted in laundering the proceeds of the asylum fraud business.

12. Defendant NELLY KATSMAN prepared I-589 applications and supporting statements, which contained materially false statements, including false claims of persecution and false addresses.

13. Defendant DAVID LYNN maintained offices, where he and his codefendants met with immigrant clients, at 1726 Welsh Road, Philadelphia, Pennsylvania, and 775 Second Street Pike, 541 Street Road, and 1300 Industrial Road, Suite 3-B, Southampton, Pennsylvania.

THE CONSPIRACY

14. From at least on or about January 1, 2003 through on or about March 8, 2007, in the Eastern District of Pennsylvania and elsewhere, defendants

**DAVID LYNN,
a/k/a “David Waisman,”
YEVGENY ZEMLYANSKY,
ILYA ZHERELYEV,
ANATOLY ZAGRANICHNY,
AKBAR KADIROV,
and
NELLY KATSMAN**

conspired and agreed, together and with others known and unknown to the grand jury, to: (a) knowingly and willfully make materially false, fictitious, and fraudulent statements, and aid and abet asylum applicants in making false, fictitious, and fraudulent statements, in matters within the jurisdiction of CIS, an agency of the executive branch of the United States, in violation of Title 18, United States Code, Sections 1001 and 2; and (b) knowingly make under oath, or under penalties of perjury, false statements with respect to material facts in applications, affidavits, and other documents required by the immigration laws and regulations prescribed thereunder, and present such applications, affidavits, and other documents which contained such false statements, in violation of Title 18, United States Code, Section 1546(a).

MANNER AND MEANS

It was part of the conspiracy that:

15. Defendant DAVID LYNN guaranteed immigrant clients that he could obtain for them lawful permanent residence status in the United States, signified by receipt of a “green card,” within six months in exchange for a fee. For this service, defendant LYNN

charged approximately \$8,000 for an individual and \$10,000 to \$12,000 for a family.

16. Defendant DAVID LYNN presented clients with the signature page of an I-589 application and requested that they sign it in blank.

17. Defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, ANATOLY ZAGRANICHNY, and AKBAR KADIROV represented to clients that defendant LYNN had been successful in assisting large numbers of immigrant clients to obtain “green cards” over a period of many years. Specifically, defendant KADIROV gave testimonials about defendant LYNN’s business, stating that defendant LYNN had assisted defendant KADIROV in obtaining residency status in the United States.

18. Defendants DAVID LYNN, ILYA ZHERELYEV, and NELLY KATSMAN prepared, and caused to be prepared, I-589 applications that contained materially false statements, including false claims of persecution based on false claims that the alien followed the Baptist or Jehovah’s Witness religions, was a Gypsy, or was a homosexual, that were submitted to CIS.

19. Defendants DAVID LYNN and YEVGENY ZEMLYANSKY paid third parties, including relatives and friends, to accept mail addressed to clients at the third parties’ addresses, which were then used on the I-589 applications. At times, defendants ZEMLYANSKY, ZHERELYEV, and KATSMAN used their own addresses on I-589 applications.

20. Defendants DAVID LYNN, ILYA ZHERELYEV, YEVGENY ZEMLYANSKY, and NELLY KATSMAN used approximately twenty false addresses or “maildrops,” located mainly in Philadelphia and Bucks County, Pennsylvania, on the I-589

applications prepared for their immigrant clients.

21. Defendant YEVGENY ZEMLYANSKY regularly picked up from the maildrops CIS notices addressed to immigrant clients. Defendants DAVID LYNN, YEVGENY ZEMLYANSKY, and ILYA ZHERELYEV then called immigrant clients to notify them about upcoming asylum interviews and court hearings, and to request outstanding fees.

22. Defendants DAVID LYNN, YEVGENY ZEMLYANSKY, and AKBAR KADIROV drove and directed immigrant clients to submit fingerprints to CIS in Philadelphia and New York in support of their I-589 applications.

23. Defendants DAVID LYNN, ANATOLY ZAGRANICHNY, and YEVGENY ZEMLYANSKY assisted immigrant clients in completing the necessary paperwork for the submission of fingerprints. This paperwork included false addresses.

24. Defendants DAVID LYNN and ANATOLY ZAGRANICHNY conducted “study sessions” with clients during which defendants LYNN and ZAGRANICHNY provided false statements for the clients to make during the interview that would make their false persecution story more believable. At these meetings, the defendants instructed clients about the nature of the persecution that the defendants had alleged on behalf of the clients in their respective I-589 applications.

25. Defendant YEVGENY ZEMLYANSKY told clients that defendant DAVID LYNN was so effective that CIS officials would not know that the claims of persecution were false and instructed clients not to mention the fact that they had attended “study sessions” and been coached by the defendants.

26. Defendant ANATOLY ZAGRANICHNY accompanied immigrant clients

to their asylum interviews in Lyndhurst, New Jersey, and Rosedale, New York, and acted as their interpreter in orally presenting false claims of persecution and false addresses.

27. Defendants DAVID LYNN, YEVGENY ZEMLYANSKY, and ILYA ZHERELYEV instructed immigrant clients who were paying by check to fill in the names of defendants ZHERELYEV, ZEMLYANSKY, and AKBAR KADIROV as the payees. At other times, defendants LYNN, ZEMLYANSKY, ZHERELYEV, and KADIROV directed clients to leave the payee section blank and the names of defendants ZHERELYEV, ZEMLYANSKY, and KADIROV were later inserted as payees.

28. Defendant DAVID LYNN paid defendants YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, and AKBAR KADIROV approximately \$50 for each client check in which their name was used as the payee.

29. Defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, and AKBAR KADIROV took a number of client checks to a check cashing agency in Philadelphia.

30. Defendants DAVID LYNN and ILYA ZHERELYEV traveled from the Eastern District of Pennsylvania to, among other places, Cleveland, Ohio; Chicago, Illinois; New York; and Connecticut, to solicit and meet with prospective immigrant clients.

OVERT ACTS

In furtherance of the conspiracy, defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, ANATOLY ZAGRANICHNY, AKBAR KADIROV, and NELLY KATSMAN, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. YF's Asylum Application

a. On or about November 2, 2003, defendant NELLY KATSMAN prepared an asylum application for YF, a person known to the grand jury, which falsely claimed that YF had been abused in the Ukraine based on his Jewish ethnicity.

b. On or about November 2, 2003, defendant YEVGENY ZEMLYANSKY permitted his address to be used on this asylum application as YF's residence, even though defendant ZEMLYANSKY knew YF did not reside there.

c. On or about December 29, 2003, defendant DAVID LYNN mailed, or caused to be mailed, to CIS YF's false asylum application.

d. In or about January or February 2004, defendant LYNN met with YF and received \$4,000 in cash as partial payment towards the \$8,000 fee for the filing of the asylum application.

e. Between on or about December 29, 2003 and February 3, 2004, defendant KATSMAN prepared a supporting statement, which falsely claimed that YF had entered the United States from the Ukraine where YF had been attacked and injured on many occasions for his Jewish ethnicity. YF had actually entered the United States from Israel, where YF had been living for a number of years.

f. On or about February 3, 2004, an individual paid by defendant LYNN accompanied YF to his asylum interview in Lyndhurst, New Jersey and acted as the interpreter during the interview.

2. RS's Asylum Application

a. On or about May 3, 2004, defendant DAVID LYNN met with RS,

a person known to the grand jury, at defendant LYNN's office and received \$5,000 as partial payment towards the \$12,000 fee for the filing of an asylum application.

b. In or about June 2004, defendant LYNN met with RS at a train station in Trenton to coach RS, who is not a homosexual, regarding the traits of a homosexual, in preparation for RS's asylum interview.

c. Between on or about May 3, 2004 and July 12, 2004, defendant NELLY KATSMAN prepared RS's asylum application, which contained a false address.

d. On or about July 12, 2004, defendant LYNN mailed, or caused to be mailed, to CIS RS's false asylum application.

e. Between on or about July 12, 2004 and August 19, 2004, defendant KATSMAN prepared RS's supporting statement, which falsely claimed that RS had suffered a broken left arm in a beating for being a homosexual.

f. On or about August 19, 2004, defendant AKBAR KADIROV drove RS to RS's asylum interview in Lyndhurst, New Jersey.

g. On or about August 19, 2004, defendant ANATOLY ZAGRANICHNY accompanied RS to his asylum interview in Lyndhurst, New Jersey, and acted as the interpreter during the interview.

h. On or about August 19, 2004, an individual who acted as an agent for defendant LYNN accompanied RS during the trip to the asylum interview and received \$3,000 in cash and a \$4,000 check from RS prior to the asylum interview.

I. On or about October 26, 2004, defendant KADIROV drove RS to a hearing before an immigration judge in Philadelphia.

3. VS's Asylum Application

a. In or about December 2004, defendant AKBAR KADIROV traveled to the residence of VS, a person known to the grand jury, and received \$6,000 in cash from VS as partial payment for the filing of an asylum application.

b. In or about December 2004, defendant DAVID LYNN met with VS's spouse at defendant LYNN's office and discussed the filing of their asylum application.

c. Between in or about December 2004 and March 21, 2005, defendant NELLY KATSMAN prepared VS's asylum application, which falsely claimed VS's life was in danger for being a Jehovah's Witness. Defendant KATSMAN used her own address as VS's residence on this asylum application.

d. On or about March 21, 2005, defendant LYNN mailed, or caused to be mailed to CIS VS's false asylum application.

e. Between in or about December 2004 and April 2005, defendant LYNN met with VS and VS's spouse at defendant LYNN's office on several occasions and coached them regarding the Jehovah's Witness religion in preparation for their asylum interview.

f. On or about April 2, 2005, defendant YEVGENY ZEMLYANSKY met with VS and VS's spouse at defendant LYNN's office, received an additional \$3,000 in cash, and drove them to submit fingerprints at CIS in Philadelphia.

g. Between in or about May and June 2005, defendant LYNN met with VS and VS's spouse at defendant LYNN's office and coached them regarding the Jehovah's Witness religion in preparation for their asylum interview.

h. Between on or about March 21, 2005 and June 21, 2005, defendant

KATSMAN prepared VS's supporting statement, which falsely claimed that on one occasion VS's home had been firebombed and, on another occasion VS was beaten as she left a Jehovah Witness prayer service.

I. On or about June 21, 2005, defendant ZEMLYANSKY drove VS and VS's spouse from defendant LYNN's office to their asylum interview in Lyndhurst, New Jersey.

j. On or about August 31, 2005, defendant ANATOLY ZAGRANICHNY accompanied VS and VS's spouse to a hearing before an immigration judge in Philadelphia and requested a change of venue from Philadelphia to New York.

4. PT's Asylum Application

a. In or about February 2005, defendant DAVID LYNN met with PT, a person known to the grand jury, and PT's spouse at defendant LYNN's office and received \$2,000 in cash as partial payment towards a \$12,000 fee for the filing of an asylum application.

b. In or about February 2005, defendant AKBAR KADIROV traveled to PT's residence in New Jersey and picked up an additional \$2,000 in cash.

c. On or about April 25, 2005, defendant LYNN mailed, or caused to be mailed, to CIS PT's asylum application, which falsely claimed that PT was a Baptist.

d. In or about May 2005, defendant LYNN met with PT and PT's spouse at defendant LYNN's office, gave them fingerprint notification cards, and received a \$4,000 check from them.

e. In or about May 2005, defendant YEVGENY ZEMLYANSKY drove PT and PT's spouse to submit fingerprints at CIS in Philadelphia. During the trip,

defendant ZEMLYANSKY assured them everything would work out well.

f. Between on or about April 25, 2005 and June 6, 2005, defendant NELLY KATSMAN prepared PT's supporting statement, which falsely claimed that PT had been struck with a baseball bat and suffered two broken ribs for being a Baptist.

g. On or about June 6, 2005, defendant AKBAR KADIROV met PT and PT's spouse outside the asylum office in Lyndhurst, New Jersey, and introduced them to an individual paid by defendant LYNN who was to act as their interpreter at the asylum interview.

h. On or about June 6, 2005, the individual paid by defendant LYNN coached PT and PT's spouse, both of whom are not Baptists, regarding the Baptist religion prior to their asylum interview on that day. This individual told PT and PT's spouse that she could not "help" them during the interview because the interview was being recorded.

5. DS's Asylum Application

_____a. On or about March 1, 2005, defendant DAVID LYNN met with DS, a person known to the grand jury, and DS's spouse at defendant LYNN's office and received a \$4,000 check as partial payment towards the \$10,000 fee for the filing of an asylum application. Defendant LYNN instructed DS to make the check payable to defendant AKBAR KADIROV.

b. In or about early May 2005, defendant LYNN met with DS and DS's spouse at defendant LYNN's office and coached DS, who is not a Baptist, regarding the Baptist religion in preparation for DS's asylum interview.

c. Between on or about March 1, 2005 and May 20, 2005, defendant NELLY KATSMAN prepared DS's asylum application, which falsely claimed that DS was a Baptist.

d. On or about May 20, 2005, defendant LYNN mailed, or caused to be mailed, to CIS DS's false asylum application.

e. On or about June 10, 2005, defendant KADIROV drove DS and DS's spouse to New York to submit fingerprints to CIS and received a \$4,000 check from DS. Defendant KADIROV directed DS to make the check payable to him.

f. Between on or about June 10 and 16, 2005, defendant LYNN met DS and DS's spouse and received a \$2,000 check from DS.

g. Between on or about May 20, 2005 and June 13, 2005, defendant KATSMAN prepared DS's supporting statement, which falsely claimed that, on one occasion, she was stabbed in the back and, on another occasion, she was pushed to the ground and sustained a broken arm for being a Baptist.

h. On or about June 13, 2005, defendant YEVGENY ZEMLYANSKY drove DS and DS's spouse to their asylum interview in Rosedale, New York.

6. MM's Asylum Application

a. In or about April 2005, in Chicago, Illinois, defendant DAVID LYNN met with MM, a person known to the grand jury, at a restaurant and discussed the filing of an asylum application for a fee of \$9,000. At this meeting, defendant LYNN received \$3,000 in cash from MM as partial payment.

b. Between in or about April 2005 and July 21, 2005, defendant NELLY KATSMAN prepared MM's asylum application, which falsely claimed that MM's life was threatened for being a Baptist.

c. On or about July 21, 2005, defendant LYNN mailed, or caused to

be mailed, to CIS MM's false asylum application.

d. On or about August 4, 2005, defendant YEVGENY ZEMLYANSKY picked up MM from the airport in Philadelphia and drove MM to a hotel located near defendant LYNN's office.

e. On or about August 5, 2005, defendant ZEMLYANSKY picked up MM from the hotel and drove MM first to defendant LYNN's office, and then to CIS in Philadelphia to submit fingerprints.

f. On or about August 29, 2005, defendant LYNN met with MM at defendant LYNN's office, coached MM regarding the Baptist religion and received three checks totaling \$6,000.

g. Between on or about July 21, 2005 and August 30, 2005, defendant KATSMAN prepared MM's supporting statement, which falsely claimed that MM suffered a broken nose after being attacked while distributing Baptist literature.

h. On or about August 30, 2005, defendant ZEMLYANSKY picked up MM at a hotel and drove MM to Lyndhurst, New Jersey, for MM's asylum interview.

I. On or about August 30, 2005, an individual paid by defendant LYNN accompanied MM to MM's asylum interview and acted as the interpreter during the interview. Prior to the interview, this individual told MM that she could not "help" MM during the interview.

7. BS's Asylum Application

a. On or about April 21, 2005, defendant DAVID LYNN met BS and BS's spouse at defendant LYNN's office and received a \$5,000 check as partial payment

towards the \$13,000 fee for the filing of their asylum application.

b. In the summer of 2005, defendant LYNN met with BS, who is not a Jehovah's Witness, and provided BS with questions and answers regarding the Jehovah's Witness religion in preparation for BS's asylum interview.

c. On or about August 9, 2005, defendant LYNN met with BS and spouse and received a \$4,000 check.

d. Between on or about April 21, 2005 and September 12, 2005, defendant NELLY KATSMAN prepared BS's asylum application, which falsely claimed that BS suffered many cruelties for being a Jehovah's Witness.

e. On or about September 12, 2005, defendant LYNN mailed, or caused to be mailed, to CIS BS's false asylum application.

f. In or about September 2005, defendants YEVGENY ZEMLYANSKY and ANATOLY ZAGRANICHNY took BS and BS's spouse to submit fingerprints at CIS in Philadelphia, Pennsylvania.

g. On or about October 16, 2005, defendant KATSMAN prepared and sent via email to BS a copy of BS's supporting statement, which falsely claimed that BS had been physically attacked many times for being a Jehovah's Witness, including one occasion in which BS was hospitalized for internal bleeding.

h. On or about October 18, 2005, defendant ZEMLYANSKY drove BS and BS's spouse to their asylum interview in Lyndhurst, New Jersey and received an additional \$4,000 in cash.

I. On or about October 18, 2005, defendant ZAGRANICHNY

accompanied BS and spouse, who were not Jehovah Witnesses, during the trip to Lyndhurst, New Jersey, coached them regarding the Jehovah's Witness religion, and acted as the interpreter during the interview.

8. MS's Asylum Application

a. In or about July 2005, defendant ILYA ZHERELYEV traveled with defendant DAVID LYNN to Cleveland, Ohio, to meet with clients and acted as defendant LYNN's bodyguard and assistant.

b. On or about July 7, 2005, in Cleveland, defendant LYNN met with MS, a person known to the grand jury, and received \$1,000 in cash and two checks totaling \$2,000 as partial payment for the filing of an asylum application.

c. On or about November 11, 2005, at defendant LYNN's direction, MS gave \$1,500 to defendant LYNN's agent in Cleveland, who had recruited MS as a client.

d. Between on or about July 7, 2005 and November 18, 2005, defendant ZHERELYEV prepared MS's asylum application, which falsely claimed that she was a Baptist.

e. On or about November 18, 2005, defendant LYNN mailed, or caused to be mailed, to CIS MS's false asylum application.

f. On or about December 3, 2005, at defendant LYNN's direction, MS gave \$1,500 to defendant LYNN's agent in Cleveland.

g. On or about December 6, 2005, defendants ZHERELYEV and YEVGENY ZEMLYANSKY met with MS at defendant LYNN's office and instructed MS to fill out paperwork for MS's fingerprint appointment.

h. On or about December 6, 2005, defendant ZEMLYANSKY drove MS to submit fingerprints at CIS in Philadelphia.

I. On or about December 27, 2005, defendant LYNN met with MS at defendant LYNN's office, coached MS, who is not a Baptist, regarding the Baptist religion in preparation for MS's asylum interview, and received \$3,000 in cash.

j. Between on or about November 18, 2005 and December 28, 2005, defendant NELLY KATSMAN prepared MS's supporting statement, which falsely claimed that MS had been hospitalized for suffering internal bleeding as a result of being attacked for being a Baptist.

k. On or about December 28, 2005, defendant ZEMLYANSKY drove MS from defendant LYNN's office to the asylum interview in Lyndhurst, New Jersey.

l. On or about December 28, 2005, defendant ANATOLY ZAGRANICHNY accompanied MS during the trip and coached MS regarding the Baptist religion in preparation for MS's asylum interview.

m. On or about December 28, 2005, defendant ZAGRANICHNY accompanied MS to the asylum interview and acted as the interpreter during the interview.

9. JB's Asylum Application

a. In or about October or November 2005, defendant DAVID LYNN met with JB at defendant LYNN's office and received \$3,000 in cash as partial payment towards the \$8,000 fee for LYNN's filing an asylum application.

b. Between in or about October or November 2005 and December 14, 2005, defendant ILYA ZHERELYEV prepared JB's asylum application, which falsely claimed

that JB had experienced problems his entire life for being a Baptist.

c. On or about December 14, 2005, defendant LYNN mailed, or caused to be mailed, to CIS JB's false asylum application.

d. Between on or about December 14, 2005 and December 24, 2005, defendant LYNN met JB, who is not a Baptist, at LYNN's office and coached JB regarding the Baptist religion.

e. Between on or about December 24 and 30, 2005, JB followed defendant YEVGENY ZEMLYANSKY to CIS in Philadelphia, Pennsylvania. Defendant ZEMLYANSKY collected \$3,000 in cash from JB.

f. On or about January 18, 2006, defendant ZEMLYANSKY collected \$2,000 from JB and then took JB and an interpreter hired by defendant LYNN to JB's asylum interview at the asylum office in Lyndhurst, New Jersey.

10. JA's Asylum Application

a. On or about December 28, 2005, defendants DAVID LYNN and ILYA ZHERELYEV flew from Philadelphia to Chicago to meet with immigrant clients, including JA, a person known to the grand jury.

b. On or about December 29, 2005, in Chicago, defendant LYNN met with JA and a co-applicant at a hotel and discussed the filing of an asylum application for a fee of \$12,000. Defendant LYNN received a \$6,000 check, which LYNN directed JA to make payable to defendant ZHERELYEV.

c. Between on or about December 29, 2005 and March 2, 2006, defendant NELLY KATSMAN prepared JA's asylum application, which falsely claimed that JA

had experienced problems with her employer for being a Baptist.

d. On or about March 2, 2006, defendant LYNN mailed, or caused to be mailed, to CIS JA's false asylum application.

e. On or about March 24, 2006, defendant YEVGENY ZEMLYANSKY met JA, who is not a Baptist, and a co-applicant at defendant LYNN's office, received \$6,000 in cash from them and drove them to submit fingerprints at CIS in New York.

f. Between on or about March 2, 2006 and March 29, 2006, defendant NELLY KATSMAN prepared JA's supporting statement, which falsely claimed that JA had been seriously injured and sustained a fractured collar bone during attacks for being a Baptist.

g. On or about March 28, 2006, defendants ZEMLYANSKY and ANATOLY ZAGRANICHNY met JA and co-applicant at a hotel in Bensalem, Pennsylvania, and defendant ZAGRANICHNY coached them regarding the Baptist religion in preparation for their asylum interview scheduled for the following day.

h. On or about March 29, 2006, defendant ZAGRANICHNY accompanied JA and the co-applicant during the trip from Bensalem to Rosedale, New York, for their asylum interview and coached them regarding the Baptist religion in preparation for their interview. Defendant ZAGRANICHNY told JA and his co-applicant that he would not be able to "help" them with their story during the interview because a translator would be listening.

11. MH's Asylum Application

a. On or about July 17, 2006, defendant DAVID LYNN met with MH at defendant LYNN's office and received a \$5,000 check, which was made payable to defendant

ILYA ZHERELYEV, as partial payment for the filing of an asylum application.

b. On or about August 28, 2006, YEVGENY ZEMLYANSKY met with MH at defendant LYNN's office and received a \$5,000 check.

c. In or about September 2006, defendant ANATOLY ZAGRANICHNY accompanied MH to submit fingerprints at CIS in Philadelphia, Pennsylvania.

d. Between on or about July 17, 2006 and September 5, 2006, defendant NELLY KATSMAN prepared MH's asylum application, which included a false address and a false claim that he was persecuted for being a Jehovah's Witness.

e. On or about September 5, 2006, defendant LYNN, mailed, or caused to be mailed, to CIS MH's false asylum application.

f. On or about October 7, 2006, defendants ZEMLYANSKY and ZAGRANICHNY met at defendant LYNN's office with MH. Defendant ZAGRANICHNY coached MH regarding the Jehovah's Witness religion in preparation for MH's asylum interview. Defendant ZEMLYANSKY assured MH that defendant LYNN had been successful in obtaining "green cards" for clients on many occasions.

12. VC's Asylum Application

a. In or about October 2006, defendants DAVID LYNN and ILYA ZHERELYEV flew to Chicago to meet with immigrant clients, including VC, a person known to the grand jury.

b. In or about October 2006, in Chicago, defendant LYNN met with VC and VC's daughter and discussed the filing of an application for a fee of \$14,000. Defendant LYNN directed VC to make a \$5,000 check payable to defendant ZHERELYEV as partial

payment.

c. In or about October 2006, defendant NELLY KATSMAN prepared VC's asylum application, which falsely claimed that VC was a Baptist.

d. On or about October 30, 2006, defendant LYNN mailed, or caused to be mailed, VC's false asylum application to CIS.

e. On or about November 24, 2006, defendants YEVGENY ZEMLYANSKY and ANATOLY ZAGRANICHNY met VC at the airport in Philadelphia and collected \$5,000 from VC.

f. On or about December 8, 2006, defendants LYNN and ZHERELYEV flew to Chicago to meet with immigrant clients, including VC.

g. On or about December 10, 2006, in Chicago, defendant ZHERELYEV met with VC and told VC that VC was scheduled for an asylum interview on December 12, 2006 and VC should come to defendant LYNN's office to be prepared for her asylum interview by defendant ZAGRANICHNY.

h. Between on or about October 30, 2006 and December 12, 2006, defendant ZHERELYEV prepared VC's supporting statement, which falsely claimed that VC's life was "nothing but trouble" in the Ukraine because VC was a Baptist.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 and 15 through 30 of Count One are incorporated here.

2. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, the defendants listed below, under penalty of perjury, knowingly subscribed as true, and aided and abetted and wilfully caused the subscription of, false statements with respect to material facts in the Application for Asylum and Withholding of Removal, Form I-589, including the supporting statement, for the client listed below, which application was required by the immigration laws and regulations prescribed thereunder, and presented, and aided and abetted and wilfully caused the presentation of, such application which contained such false statements and which failed to contain any reasonable basis in law and fact.

<u>COUNT</u>	<u>DEFENDANT(S)</u>	<u>DATE</u>	<u>FALSE STATEMENT</u>
TWO	DAVID LYNN ILYA ZHERELYEV YEVGENY ZEMLYANSKY ANATOLY ZAGRANICHNY NELLY KATSMAN	May 8, 2006	False claim that TD had been persecuted for being a practicing Baptist and a false address.
THREE	YEVGENY ZEMLYANSKY	November 18, 2005	False claim that MS had been persecuted for being a practicing Baptist and a false address.
FOUR	YEVGENY ZEMLYANSKY AKBAR KADIROV	April 25, 2005	False claim that PT had been persecuted for being a practicing Baptist and a false address.

FIVE	YEVGENY ZEMLYANSKY	March 2, 2006	False claim that JA had been persecuted for being a practicing Baptist and a false address.
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All in violation of Title 18, United States Code, Sections 1546(a) and 2.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 and 15 through 30 of Count One are incorporated here.

2. On or about August 21, 2006, in Richboro, in the Eastern District of Pennsylvania, and elsewhere, defendants

**DAVID LYNN,
a/k/a “David Waisman,”
and
YEVGENY ZEMLYANSKY**

knowingly conducted, and attempted to conduct, and aided, abetted, and willfully caused, a financial transaction affecting interstate commerce, that is, defendants LYNN and ZEMLYANSKY purchased from Fox Chase Bank money order which had a number ending in the last four digits 1625, in the amount of \$9,500, payable to NZ, a person known to the grand jury.

3. When conducting, aiding, abetting, and willfully causing, the financial transaction described above, defendants LYNN and ZEMLYANSKY knew that the property involved in that financial transaction represented the proceeds of some form of unlawful activity.

4. The financial transaction described above involved the proceeds of a specified unlawful activity, that is, asylum and visa fraud, in violation of Title 18, United States Code, Section 1546(a), and defendants LYNN and ZEMLYANSKY acted with the knowledge that the transaction was designed, in whole and in part, to conceal and disguise the nature,

location, source, ownership and control of the proceeds of the specified unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(I) and 2.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 and 15 through 30 of Count One are incorporated here.

2. Beginning in or about March 2006, DAVID LYNN maintained bank account which had a number ending in the last four digits 9962 at Credit Suisse in Zurich, Switzerland.

3. On or about April 19, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

ILYA ZHERELYEV

knowingly transported, transmitted, and transferred, and aided, abetted, and willfully caused, the transportation, transmission, and transfer of monetary instruments and funds, in the amount of \$34,000, from a place in the United States to and through a place outside the United States, that is, defendant ZHERELYEV transferred funds in the amount of approximately \$34,000 from a place within the United States to a place outside the United States, that is, defendant LYNN's Credit Suisse account in Zurich, Switzerland.

3. When conducting, aiding, abetting, and willfully causing, the transportation, transmission, and transfer of funds described above, defendant ZHERELYEV knew that the property involved in that financial transaction represented the proceeds of some form of unlawful activity.

4. The transportation, transmission, and transfer of the monetary instruments or funds described above involved the proceeds of a specified unlawful activity, that is, asylum

and visa fraud, in violation of Title 18, United States Code, Section 1546(a), and defendant ZHERELYEV acted with the knowledge that the transaction was designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds of the specified unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(2)(B)(I) and 2.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 and 15 through 30 of Count One and paragraph 2 of Count Seven are incorporated here.

2. On or about June 22, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

YEVGENY ZEMLYANSKY

knowingly transported, transmitted, and transferred, and aided, abetted, and willfully caused, the transportation, transmission, and transfer of monetary instruments and funds, in the amount of \$50,000, from a place in the United States to and through a place outside the United States, that is, defendant ZEMLYANSKY transferred funds in the amount of \$50,000 from a place within the United States to defendant DAVID LYNN's Credit Suisse account in Zurich, Switzerland.

3. When conducting, aiding, abetting, and willfully causing, the transportation, transmission, and transfer of funds described above, defendant ZEMLYANSKY knew that the property involved in those financial transactions represented the proceeds of some form of unlawful activity.

4. The transportation, transmission, and transfer of the monetary instruments or funds described above involved the proceeds of a specified unlawful activity, that is, asylum fraud and visa fraud, in violation of Title 18, United States Code, Section 1546(a), and defendant ZEMLYANSKY acted with the knowledge that the transaction was designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds of the specified unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(2)(B)(I) and 2.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 and 15 through 30 of Count One are incorporated here.

2. From in or before January 2003, to on or about March 8, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendants

**DAVID LYNN,
a/k/a “David Waisman,”
YEVGENY ZEMLYANSKY,
ILYA ZHERELYEV,
and
AKBAR KADIROV**

conspired and agreed, together and with others known and unknown to the grand jury, to: (a) conduct, and attempt to conduct, financial transactions affecting interstate and foreign commerce which involved the proceeds of specified unlawful activity, that is, visa and asylum fraud, in violation of Title 18, United States Code, Section 1546(a), knowing that property involved in the financial transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(I); (b) transport, transmit, and transfer, and attempt to transport, transmit, and transfer funds from a place in the United States to and through a place outside the United States, knowing that the funds represent the proceeds of specified unlawful activity, that is, visa/asylum fraud, in violation of Title 18, United States Code, Section 1546(a), in violation of Title 18, United States Code, Section 1956(a)(2)(B)(I); and (c) knowingly engage and attempt to engage in monetary transactions affecting interstate and

foreign commerce in criminally derived property of a value greater than \$10,000 and derived from specified unlawful activity, that is, visa/asylum fraud, in violation of Title 18, United States Code, Section 1546(a), in violation of Title 18, United States Code, Section 1957.

MANNER AND MEANS

3. Defendant DAVID LYNN received at least \$3 million in criminally derived proceeds from operating an asylum fraud business.

4. To conceal and disguise the nature of their illegal activities and the receipt and location of money from the asylum fraud business:

(a) defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, and AKBAR KADIROV directed immigrant clients to make checks payable to defendants ZEMLYANSKY, ZHERELYEV, and KADIROV, and MW, an individual known to the grand jury. Defendants LYNN, ZEMLYANSKY, ZHERELYEV, and KADIROV directed immigrant clients to leave the payee section of their checks blank, and later filled in the names of defendants ZEMLYANSKY, ZHERELYEV, KADIROV, and MW;

(b) defendants LYNN, ZEMLYANSKY, ZHERELYEV, and KADIROV cashed more than 100 checks from immigrant clients described above at Nikki's Check Cashing Agency located in Philadelphia;

(c) defendants LYNN, ZEMLYANSKY, ZHERELYEV, and persons known and unknown to the grand jury purchased numerous money orders and bank checks in amounts less than \$10,000 from various banks with cash;

(d) defendant LYNN maintained a bank account in Switzerland;

(e) defendants ZEMLYANSKY and ZHERELYEV assisted defendant LYNN in removing and concealing profits from the asylum fraud business by traveling out of the United

States and depositing cash and money orders into an account at Credit Suisse in Zurich, Switzerland;

(f) defendants LYNN and ZEMLYANSKY maintained safe deposit boxes at various banks in the Philadelphia area into which they deposited cash from the asylum fraud business;

(g) defendant LYNN invested in real property in Florida and in the Eastern District of Pennsylvania; and

(h) defendant LYNN enlisted the assistance of defendant ZHERELYEV to sell the property in Florida at a profit and then invested the profits from the sale in securities.

OVERT ACTS

In furtherance of the conspiracy, defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, and AKBAR KADIROV, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. Between in or about August 2004 and in or about January 2007, defendants DAVID LYNN, YEVGENY ZEMLYANSKY, ILYA ZHERELYEV, and AKBAR KADIROV cashed at least 112 checks, three money orders, and four official bank checks, totaling \$370,953, at Nikki's Check Cashing Agency in Philadelphia.

2. On or about March 19, 2005, defendant DAVID LYNN opened a safe deposit box at the Beneficial Savings Bank in Langhorne, Pennsylvania.

3. Between on or about March 19, 2005 through on or about March 7, 2007, defendant DAVID LYNN deposited, and caused to be deposited, at least \$396,190 in currency into his safe deposit box described in paragraph 2 above.

4. On or about April 10, 2002, defendant DAVID LYNN opened a safe deposit box at Wachovia Bank located in Newtown, Pennsylvania.

5. Between at least on or about April 10, 2002 and on or about March 7, 2007, defendant DAVID LYNN deposited, and caused to be deposited, at least \$219,000 in currency into his safe deposit box described in paragraph 4 above.

6. On or about January 30, 2007, defendant DAVID LYNN opened a safe deposit box at Univest National Bank located in Newtown, Pennsylvania.

7. Between on or about January 30, 2007 and March 7, 2007, defendant DAVID LYNN deposited, and caused to be deposited, at least \$74,906 in currency into his safe deposit box described in paragraph 6 above.

8. On or about August 21, 2006, defendants DAVID LYNN and YEVGENY ZEMLYANSKY opened a safe deposit box at Fox Chase Bank, 815 Bustleton Avenue, Philadelphia, Pennsylvania.

9. Between on or about August 21, 2006 and on or about March 7, 2007, defendants DAVID LYNN and YEVGENY ZEMLYANSKY deposited, and caused to be deposited, at least \$56,000 in currency into the safe deposit box described in paragraph 8 above.

10. On or about March 28, 2006, defendant DAVID LYNN traveled to Switzerland and opened an account at Credit Suisse in Zurich.

11. Between on or about July 12, 2005 and on or about August 31, 2006, defendant YEVGENY ZEMLYANSKY purchased approximately ten money orders, in amounts ranging from \$3,000 to \$9,500, at either the Hatboro, Pennsylvania or Richboro, Pennsylvania branch of Fox Chase Bank, with currency.

12. Between on or about July 12, 2005 and on or about August 31, 2006, SZ,

a person known to the grand jury, purchased approximately nine money orders, in amounts ranging from \$3,000 to \$9,500, at the Hatboro, Pennsylvania branch of Fox Chase Bank, with currency.

13. On or about April 19, 2006, defendant ILYA ZHERELYEV traveled to Zurich, Switzerland, and subsequently deposited three money orders, each in the amount of \$9,000, including Fox Chase Bank money order, which had a number ending in the last four digits 0480, and \$7,000 in currency for a total deposit of \$34,000, into defendant DAVID LYNN's bank account at Credit Suisse, in Zurich, Switzerland.

14. On or about June 22, 2006, defendant YEVGENY ZEMLYANSKY traveled to Zurich, Switzerland, and subsequently deposited four money orders, each in the amount of \$9,000, including Fox Chase Bank money order, which had a number ending in the last four digits 0594, and \$14,000 in currency, for a total deposit of \$50,000, into defendant DAVID LYNN's bank account at Credit Suisse.

15. On or about September 7, 2006, defendant YEVGENY ZEMLYANSKY traveled to Zurich, Switzerland, and subsequently deposited \$12,300 in cash and two money orders, in the amount of \$9,500 each, including Fox Chase Bank money order, which had a number ending in the last four digits 1625; one Fox Chase Bank money order, which had a number ending in the last four digits 2554, in the amount of \$8,000; one Fox Chase Bank money order, which had a number ending in the last four digits 1639, in the amount of \$6,000; and nine money orders, in the amount of \$300 each, for a total deposit of \$48,000, into defendant DAVID LYNN's bank account at Credit Suisse.

16. On or about October 26, 2006, defendant ILYA ZHERELYEV traveled to Zurich, Switzerland, and subsequently deposited \$4,300 in cash, a money order in the amount of

\$7,000, thirteen money orders in the amount of \$500 each, a money order in the amount of \$400, and 21 money orders in the amount of \$300 each, for a total deposit of \$24,500 into defendant DAVID LYNN's bank account at Credit Suisse.

17. On or about, December 26, 2006, defendant ILYA ZHERELYEV traveled to Zurich, Switzerland, and subsequently deposited six money orders in the amount of \$700 each and 20 money orders in the amount of \$300, for a total deposit of \$10,200, into defendant DAVID LYNN's bank account at Credit Suisse.

18. From in or about July 2001 through in or about March 2007, defendant DAVID LYNN purchased, and caused to be purchased, 59 money orders and nine bank checks from various financial institutions, totaling \$31,000, that were used to pay the monthly mortgage for 598 Belmont Avenue, Unit 203-F, in Philadelphia, Pennsylvania.

19. On or about November 10, 2004, defendant DAVID LYNN made a payment of \$16,200 in cash to Sylvan Pool Corporation towards the installation of a swimming pool at his residence.

20. On or about February 25, 2005, defendant DAVID LYNN made a payment of \$4,500 with an official bank check from Commerce Bank to Sylvan Pool Corporation towards the installation of a swimming pool at his residence.

21. On or about February 28, 2005, defendant DAVID LYNN made a payment of \$9,000 with an official bank check from Wachovia Bank to Sylvan Pool Corporation towards the installation of a swimming pool at his residence.

22. On or about March 31, 2005, defendant DAVID LYNN made a payment of \$7,000 with an official bank check from Wachovia Bank to Sylvan Pool Corporation towards the installation of a swimming pool at his residence.

23. On or about June 20, 2005, defendant DAVID LYNN made a payment of \$2,120 in cash to Sylvan Pool Corporation towards the installation of a swimming pool at his residence.

24. On or about October 29, 2005, defendant DAVID LYNN made a mortgage payment of \$1,824 for his residence with check #2115, drawn on a Bank One checking account, in the name of MF, a person known to the grand jury.

25. On or about November 24, 2005, defendant DAVID LYNN made a mortgage payment of \$1,824 for his residence with check #1296, drawn on a Wachovia Bank checking account, in the name of DT, a person known to the grand jury.

26. On or about October 23, 2006, defendant DAVID LYNN made a mortgage payment of \$2,000 for his residence with check #139, drawn on a MB Financial Bank checking account, in the name of MF, a person known to the grand jury.

27. On or about January 26, 2007, defendant DAVID LYNN made a mortgage payment of \$1,000 for his residence with check \$224, drawn on a Peoples Bank checking account, in the name of VC, a person known to the grand jury.

28. On or about January 26, 2007, defendant DAVID LYNN made a mortgage payment of \$1,000 for his residence with check #165, drawn on a Bank of America checking account, in the name of client UL, a person known to the grand jury.

29. On or about February 7, 2007, defendant DAVID LYNN made a mortgage payment of \$2,000 for his residence with check #6148, drawn on a Mid America Bank checking account, in the name of JW, a person known to the grand jury.

30. Between on or about July 9, 2005 and on or about September 16, 2005, defendant DAVID LYNN made a total down payment of \$187,500 towards the purchase of a

condominium located in Hollywood, Florida, using 32 financial instruments, including client checks.

31. On or about March 10, 2006, defendant DAVID LYNN entered into an assignment agreement to sell the condominium described in paragraph 30 above to defendant ILYA ZHERELYEV.

32. On or about March 21, 2006, defendant ILYA ZHERELYEV purchased the condominium described in paragraph 30 above and defendant DAVID LYNN received \$272,375 from the sale.

33. Between on or about April 19, 2006 and May 22, 2006, defendant DAVID LYNN transferred approximately \$125,000 realized from the sale of the condominium described in paragraph 30 above to Wachovia Securities in an account, which had a number ending in the last four digits 6659 and AXA Equitable accounts, which had numbers ending in the last four digits 1853 and 5124, respectively.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS TEN THROUGH TWELVE

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

- _____ 1. The United States Department of Housing and Urban Development (“HUD”) was a federal agency which operated programs to help lower-income families obtain and pay for safe, sanitary, and decent housing. Among such programs was HUD’s Housing Choice Voucher Program (“HCV Program”).
2. Local public housing authorities administered the HCV Program in accordance with federal rules and regulations, using federal funds disbursed by HUD. The Housing Authority of Bucks County, Pennsylvania (“the Bucks Housing Authority”) was a local public housing authority which administered HUD funds through the HCV Program.
3. Families participating in the HCV Program selected and leased housing from private owners of rental housing. That housing had to meet the quality standards established by the HCV Program. The HCV Program then used federal HUD funds to subsidize the families’ rental payments.
4. To determine an individual’s eligibility to receive HUD funds under the HCV Program, and the amount of any such subsidy, the Bucks Housing Authority required each applicant to complete an Applicant for Tenant Eligibility and Recertification (“the Application”). The Application required the accurate and complete disclosure of all of the applicant’s employment, income, and assets. The Application also required the applicant, as the head of the household, to disclose the identity of all persons living with the applicant, and the employment, income, and assets of every such household member. The head of household was required to sign the Application, certifying that the information provided was accurate and complete.

5. The Bucks Housing Authority reviewed the Application with the applicant in an in-person interview, and verified the stated sources of income. The Bucks Housing Authority then determined if the applicant was eligible for the HCV Program, and the appropriate amount of the federal housing subsidy for that applicant, based on the disclosures in the Application as to the applicant's household income, assets, and composition.

6. Each year, the applicant was required to obtain recertification by submitting a new and complete Application to the Bucks Housing Authority. The Bucks Housing Authority again reviewed the renewal Application with the applicant in an in-person interview, and verified the stated sources of income. The Bucks Housing Authority then determined if the applicant remained eligible for the HCV Program, and the appropriate amount of the federal housing subsidy for the year for that applicant, based on the same factors.

7. Because of the limited amount of HUD funds, the Bucks Housing Authority maintained a waiting list of families desiring to participate in the HCV Program. As of the time of this indictment, a family seeking HCV Program assistance must wait up to one year to participate in the Program.

8. From approximately September 1, 2004, to approximately June 2007, defendant YEVGENY ZEMLYANSKY participated in the HCV Program administered by the Bucks Housing Authority.

9. On or about October 8, 2003, defendant YEVGENY ZEMLYANSKY completed and submitted a preliminary application to the HCV Program.

10. Defendant YEVGENY ZEMLYANSKY submitted his Applications for the HCV Program on or about May 28, 2004, June 9, 2005, and June 8, 2006. Defendant ZEMLYANSKY signed each Application, certifying to the accuracy of its contents, and

reviewed each Application in person with an HCV Program Official.

11. Based on these Applications, the Bucks Housing Authority approved rental subsidies for defendant YEVGENY ZEMLYANSKY in the amount of approximately \$12,000 for the period from approximately September 2004 to approximately May 2007.

12. Defendant YEVGENY ZEMLYANSKY knew that these Applications described in paragraphs 9 and 10 above were false and fraudulent because they concealed his employment with David Lynn, concealed the number of persons in his household, and failed to disclose he was related to LYNN, the owner of ZEMLYANSKY's residence.

13. On or about the following dates, in Levittown, in the Eastern District of Pennsylvania, defendant

YEVGENY ZEMLYANSKY,

in a matter within the jurisdiction of the Department of Housing and Urban Development, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations and falsified, concealed, and covered up by trick or device material facts, in that, in applications to participate in the HCV program, defendant ZEMLYANSKY concealed the income he received from the fraudulent immigration business operated by defendant ZEMLYANSKY, David Lynn, and others, that he resided with his wife, and that he was related by marriage to David Lynn, the owner of his residence, as set forth below:

<u>COUNT</u>	<u>DATE OF APPLICATION CONTAINING FALSE STATEMENT</u>
10	May 28, 2004
11	June 9, 2005
12	June 8, 2006

All in violation of Title 18, United States Code, Section 1001.

COUNT THIRTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

- _____ 1. Paragraph 1 and 3 of Count Ten are incorporated here.
2. The Philadelphia Housing Authority (“PHA”) was the local public housing authority which administered HUD funds through the HCV Program, in Philadelphia.
3. To determine an individual’s eligibility to receive HUD funds under the HCV Program, and the amount of any such subsidy, the PHA required each applicant to complete an Applicant for Tenant Eligibility and Recertification (“the Application”). The Application required the accurate and complete disclosure of all of the applicant’s employment, income, and assets. The Application also required the applicant, as the head of the household, to disclose the identity of all persons living with the applicant, and the employment, income, and assets of every such household member. The head of household was required to sign the Application, certifying that the information provided was accurate and complete.
4. The PHA reviewed the Application with the applicant in an in-person interview, and verified the stated sources of income. The PHA then determined if the applicant was eligible for the HCV Program, and the appropriate amount of the federal housing subsidy for that applicant, based on the disclosures in the Application as to the applicant’s household income, assets, and composition.
5. Bi-annually, the applicant was required to obtain recertification by submitting a new and complete Application to the PHA. The PHA again reviewed the renewal Application with the applicant in an in-person interview, and verified the stated sources of income. The PHA then determined if the applicant remained eligible for the HCV Program, and

the appropriate amount of the federal housing subsidy by-annually for that applicant, based on the same factors.

6. Because of the limited amount of HUD funds, PHA maintained a waiting list of families desiring to participate in the HCV Program. As of the time of this indictment, a family seeking HCV Program assistance must wait up to seven years to participate in the Program in Philadelphia.

7. From on or about December 11, 2002, to on or about June 2007, defendant ANATOLY ZAGRANICHNY participated in the HCV Program administered by PHA.

8. Defendant ANATOLY ZAGRANICHNY submitted applications for the HCV Program on or about December 11, 2002, December 20, 2004 and January 26, 2007. Defendant ZAGRANICHNY signed each application, certifying to the accuracy of its contents, and reviewed each application in person with an HCV Program Official.

9. Based on these applications, PHA approved rental subsidies for defendant ANATOLY ZAGRANICHNY in the amount of approximately \$19,968 for the period from approximately December 2002 to approximately May 2007.

10. Defendant ANATOLY ZAGRANICHNY knew that the applications were false and fraudulent because they omitted information and income from his employment in the fraudulent immigration business operated by defendant ZAGRANICHNY, David Lynn, and others.

11. On or about December 20, 2004, in Philadelphia, in the Eastern District of Pennsylvania, defendant

ANATOLY ZAGRANICHNY,

in a matter within the jurisdiction of the Department of Housing and Urban Development, an

agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations and falsified, concealed, and covered up by trick or device material facts, in that, in applications to participate in the HCV program, defendant ZAGRANICHNY concealed the income he received from the fraudulent immigration business operated by defendant ZAGRANICHNY, David Lynn, and others.

In violation of Title 18, United States Code, Section 1001.

COUNT FOURTEEN

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 19, 2007, in Philadelphia, in the Eastern District of
Pennsylvania, defendant

ILYA ZHERELYEV,

having previously been indicted on felony charges and having been arraigned and released
pursuant to the bail provisions of Title 18, of the United States Code, Section 3142(c), knowingly
failed to appear for arraignment as required by the Court in its order of April 9, 2007.

In violation of Title 18, United States Code, Section 3146(a)(1).

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1546 and 1956 set forth in this indictment, defendants

**DAVID LYNN,
a/k/a “David Waisman,”
ILYA ZHERELYEV,
YEVGENY ZEMLYANSKY,
ANATOLY ZAGRANICHNY,
AKBAR KADIROV,
and
NELLY KATSMAN**

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from or is traceable to proceeds obtained directly or indirectly from the commission of visa/asylum fraud offenses, or that is used or intended to be used to facilitate such offenses; and any property, real or personal, involved in money laundering or any property traceable thereto, including, but not limited to:

- a. the sum of \$3 million;
- b. \$562,082.00 United States currency seized from a safe hidden in the floor of defendant LYNN’s basement on March 8, 2007;
- c. Two 10-ounce gold bars seized on March 8, 2007;
- d. \$219,210.00 United States currency seized on March 9, 2007 from Wachovia Bank safe deposit box #816;
- e. \$396,190.00 United States currency seized on March 9, 2007 from Beneficial Savings Bank safe deposit box #249;
- f. \$74,906.15 United States currency seized on March 9, 2007 from a 2005 Lexus, Pennsylvania tag #FVT-3167;
- g. \$56,000.00 United States currency seized on March 9, 2007 from Fox Chase Bank safe deposit box #2224;

- h. Bank checks for \$59,171.54 and \$2,500 seized on February 29, 2008 and March 10, 2008, respectively, which represent the proceeds from the sale of 598 Belmont Avenue, Unit 203F, Hampton Crossing, Southampton, Pennsylvania;
- I. \$150,000 in lieu of defendant LYNN's residence in Bucks County;
- j. The contents of Wachovia Securities account #52176659, valued at approximately \$19,800;
- k. The contents of AXA Equitable account #303 631 853, valued at approximately \$41,936.41;
- l. The contents of AXA Equitable account #306 645 124, valued at approximately \$76,280.16; and
- m. Bank check for \$148,750 seized on June 20, 2008, which represents the contents of Credit Suisse account #0835-970999-62 and all sub-accounts.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

GRAND JURY FOREPERSON

LAURIE MAGID
Acting United States Attorney